USDA Agricultural Marketing Service

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Transportation and Marketing Programs/Transportation Services Division
www.ams.usda.gov/GTR

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Contents

The next release is May 27, 2010

WEEKLY HIGHLIGHTS

Lock Repairs to Slow Summer Barge Traffic

This summer, the U.S. Army Corps of Engineers will close for repairs some of the busiest lock chambers that handle Mississippi River grain traffic. The closures will force barge traffic to transit the smaller 600-foot auxiliary chambers while parts are replaced in the main chambers. The longest closure will be the main 1,200-foot chamber of the Melvin Price Locks and Dam, near East Alton, IL, between June 25 and August 7. The other closure will shut down the main 1,200-foot chamber at Locks 27, near Granite City, IL, from June 25 to July 1. Melvin Price Locks and Locks 27 are the southernmost locks between the Midwest and the export facilities in the New Orleans, LA, area. This closure could impact the typical summer peak grain barge shipping season.

Soybean Inspections Rebound After Three Week Decline

Total soybean inspections (.215 mmt) for the week ending May 13 rebounded after three consecutive weeks of decline. Inspections of soybeans were 84 percent above the previous week but 13 percent below last year this time. Mississippi Gulf soybean inspections increased the most, spurred by increased shipments to Japan. Total inspections of all major grains in the Mississippi Gulf increased 8 percent from the previous week. Total inspections of grain (corn, wheat, and soybeans) from all major U.S. export regions reached 1.34 million metric tons (mmt), down 15.4 percent from the past week and 8 percent below last year. Pacific Northwest (PNW) inspections dropped 47 percent from the previous week. Rail deliveries of grain to the region dropped 26 percent as demand from Asia slowed.

Chinese Demand Drives the Dry Bulk Market, Projected Increase in Bulk Vessel Fleet

China’s demand for iron ore and coal has recently been the principal driver of the bulk shipping market. Chinese demand for raw materials is projected to increase by about 9-10 percent this year. According to the most recent orderbook, most analysts predict that the world bulk vessel fleet will increase by 50-57 percent this year. About 264 million dead weight tonnes of bulk vessels are scheduled to be added in 2010, with an average of 15-20 ships per month delivered so far. Meanwhile, ocean rates for shipping bulk grain from the U.S. Gulf to Japan held steady from the previous week at $72 per metric ton (mt), and the cost of shipping from the PNW to Japan was $43 per mt—a $1 increase from the previous week. The movements of ocean freight rates will be determined mainly by whether the pace of new vessel deliveries will keep up with the increasing Chinese appetite for raw materials.

Barge Rates Increasing with Demand and High Water

Since mid-April, barge rates have increased 50 to 61 percent on the Mississippi, Ohio, and Illinois Rivers. Barge shippers have indicated an increase in grain and non-grain demand for barge services and the rate increases reflects this tightening of the barge supply. In addition, high water on most of the river system has increased operating costs for barge operators. The high water requires the barge operators to use additional fuel and equipment to safely navigate the faster currents, and in some high traffic areas, navigation is restricted to daylight hours.

Snapshots by Sector

Rail

U.S. Railroads originated 19,245 **carloads of grain** during the week ending May 1, down 14 percent from last week, up 9 percent from the same week last year, and 7 percent lower than the 3-year average.

During the week ending May 8, average May secondary railcar bids/offers were at tariff for non-shuttle, $5 higher than last week. Shuttle rates were $263 below tariff, $6 higher than last week.

Ocean

During the week ending May 13, 41 **ocean-going grain vessels** were loaded in the Gulf, up 14 percent from last year. Fifty-one vessels are expected to be loaded in the U.S. Gulf within the next 10 days, up 2 percent from last year.

During the week ending May 14, the cost of shipping grain from the Gulf to Japan averaged $72 per mt, unchanged from the previous week. The rate from the Pacific Northwest to Japan was $43 per mt, up 2 percent from the previous week.

Barge

During the week ending May 15, **barge grain movements** totaled 807,070 tons, 6 percent lower than the previous week but 4 percent higher than the same period last year.

Fuel

During the week ending May 17, U.S. average **diesel fuel prices** decreased 3 cent per gallon to $3.09—1 percent lower than the previous week but 39 percent higher than the same week last year.

Reduced Truck and Barge Rates Pushed Down Waterborne Grain Transportation Cost to Mexico

The transportation cost for U.S. grain (corn, soybeans and wheat) shipped by sea to Mexico declined during the 1st quarter as decreased truck and barge rates offset increased ocean freight rates. The cost of shipping waterborne corn and soybeans from the United States to Guadalajara, Mexico fell 6 percent and the cost for wheat fell 7 percent compared to 4th quarter, 2009 (see table). However, the reduction in truck rates was not enough to offset the increase in rail rates, causing the transportation cost of shipping grain over land to increase. The cost of transporting U.S. corn overland to Mexico increased by 2 percent and the cost for soybeans and wheat increased 1 percent compared to the 4th quarter, 2009.

Quarterly costs of transporting U.S. grain to Guadalajara, Mexico

	Water route $/metric ton					Land route $/metric ton				
	2009 1st qtr.	2009 4th qtr.	2010 1st qtr.	Percent change Yr. to Yr.	Percent change Qtr. to Qtr.	2009 1st qtr.	2009 4th qtr.	2010 1st qtr.	Percent change Yr. to Yr.	Percent change Qtr. to Qtr.
Corn										
Origin			IL					IA		
Truck	8.17	11.38	10.46	28.0	-8.1	4.41	5.52	5.00	13.4	-9.4
Rail [1]	36.95	32.76	32.76	-11.3	0.0	70.99	71.66	73.61	3.7	2.7
Ocean[2]	11.46	20.22	20.75	81.1	2.6					
Barge	19.92	22.64	18.08	-9.2	-20.1					
Total transportation cost	76.50	87.00	82.05	7.3	-5.7	75.40	77.18	78.61	4.3	1.9
Farm Value	155.24	140.41	139.63	-10.1	-0.6	162.72	145.40	144.87	-11.0	-0.4
Landed Cost	231.74	227.41	221.68	-4.3	-2.5	238.12	222.58	223.48	-6.1	0.4
Transport % of landed cost	33	38	37			32	35	35		
Soybeans										
Origin			IL					NE		
Truck	8.17	11.38	10.46	28.0	-8.1	4.41	5.52	5.00	13.4	-9.4
Rail [1]	36.95	32.76	32.76	-11.3	0.0	68.70	70.17	71.53	4.1	1.9
Ocean[2]	11.46	20.22	20.75	81.1	2.6					
Barge	19.92	22.64	18.08	-9.2	-20.1					
Total transportation cost	76.50	87.00	82.05	7.3	-5.7	73.11	75.69	76.53	4.7	1.1
Farm Value	356.78	362.78	354.09	-0.8	-2.4	338.78	351.88	344.90	1.8	-2.0
Landed Cost	433.28	449.78	436.14	0.7	-3.0	411.89	427.57	421.43	2.3	-1.4
Transport % of landed cost	18	19	19			18	18	18		
Wheat										
Origin			KS					KS		
Truck	32.27	23.18	21.29	-34.0	-8.2	3.68	4.41	3.81	3.5	-13.6
Rail [1]	36.95	32.76	32.76	-11.3	0.0	63.28	66.66	68.16	7.7	2.3
Ocean[2]	11.46	20.22	20.75	81.1	2.6					
Barge	13.32	16.70	11.24	-15.6	-32.7					
Total transportation cost	94.00	92.86	86.04	-8.5	-7.3	66.96	71.07	71.97	7.5	1.3
Farm Value	199.15	162.28	162.53	-18.4	0.2	199.15	162.28	162.53	-18.4	0.2
Landed Cost	293.15	255.14	248.57	-15.2	-2.6	266.11	233.35	234.50	-11.9	0.5
Transport % of landed cost	32	36	35			25	30	31		

[1]Rail rates include U.S. and Mexico portions of the movement. Mexico rail rates are estimated based on actual quoted market rates. BNSF and Union Pacific quoted rail tariff rates are through rates for shuttle trains. Rail rates include fuel surcharges. Origins are modified from past tables.

[2]Source: O'Neil Commodity Consulting

The completion of the grain harvest and increased barge supply caused the truck and barge rates to decline during the 1st quarter. The demand for trucking and barging services are usually high during the

4th quarter as farmers try to move as much grain as possible down the river in anticipation of the upper segment of the Mississippi River System closing during the winter season. Closing the upper segment of the Mississippi River made more barges available on Illinois River and lower segment of the Mississippi River and reduced the barge rates during the 1st quarter. Ocean freight rates for shipping bulk grain increased during the quarter due to increased demand for shipping bulk commodities as the global economy improved. Rail rates increased due to increases in rail tariff rates and fuel surcharges (**see GTR, figure 7**).

Although farm prices in the United States were generally lower than last year, they were relatively stable compared to the 4th quarter, with the exception of soybean prices, which fell 2 percent. In general, the decreases in farm prices made the transportation shares of the landed costs larger than last year, but transportation shares of the landed costs were relatively stable compared to the 4th quarter.

Market Outlook: Mexican feed consumption during the 2009/10 marketing year (MY) is expected to decline further than originally estimated as a result of the economic recession affecting the poultry, pork and meat markets negatively (**USDA, FAS GAIN Report # MX0017**). However, the situation is expected to improve during the MY 2010/11 due to 0.8 percent projected growth in population and increased growth in the Mexican livestock and poultry sectors. Mexico imported about 1.29 million metric (MMT) ton of corn at a value of $247.8 million during the 1st quarter, 2010 (USDA, FAS Foreign Trade Data). It also imported about .34 MMT of wheat at a value of $75.7 million. Mexican corn imports from all sources are forecast to increase to 9.8 MMT in MY 2010/11—a 22.5 percent increase from 2009/2010. U.S. farm prices are currently lower than they were last year. An expected record U.S. corn production could further reduce grain prices and benefit Mexican importers, especially livestock growers. Mexican millers also prefer to purchase U.S. wheat due to ease of shipping. Declining or moderate transportation cost from the United States to Mexico will boost the competitiveness of U.S. imports relative to the Mexican growers, who depend largely on expensive trucking, and struggle with an inadequate road infrastructure and lack of direct railroad links at key transport hubs. Nearly all imports enter the country via rail or ship. *Surajudeen.Olowolayemo@ams.usda.gov*

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

Week ending	Truck	Rail[2]	Barge	Ocean Gulf	Ocean Pacific
05/19/10	208	100	232	322	305
05/12/10	210	90	213	322	298

[1]Indicator: Base year 2000 = 100; Weekly updates include truck = diesel ($/gallon); rail = nearby secondary rail market ($/car); barge = Illinois River barge rate (index = percent of tariff rate); and ocean = routes to Japan ($/metric ton)

[2]The rail indicator is not an index. It is the difference between the nearby secondary rail market bid for this week and the average bid for year 2000 (+) 100.

Source: Transportation & Marketing Programs/AMS/USDA

Table 2

Market Update: U.S. Origins to Export Position Price Spreads ($/bushel)

Commodity	Origin--Destination	5/14/2010	5/7/2010
Corn	IL--Gulf	-0.76	-0.72
Corn	NE--Gulf	-0.82	-0.78
Soybean	IA--Gulf	-0.94	-0.89
HRW	KS--Gulf	-1.15	-1.06
HRS	ND--Portland	-1.45	-1.19

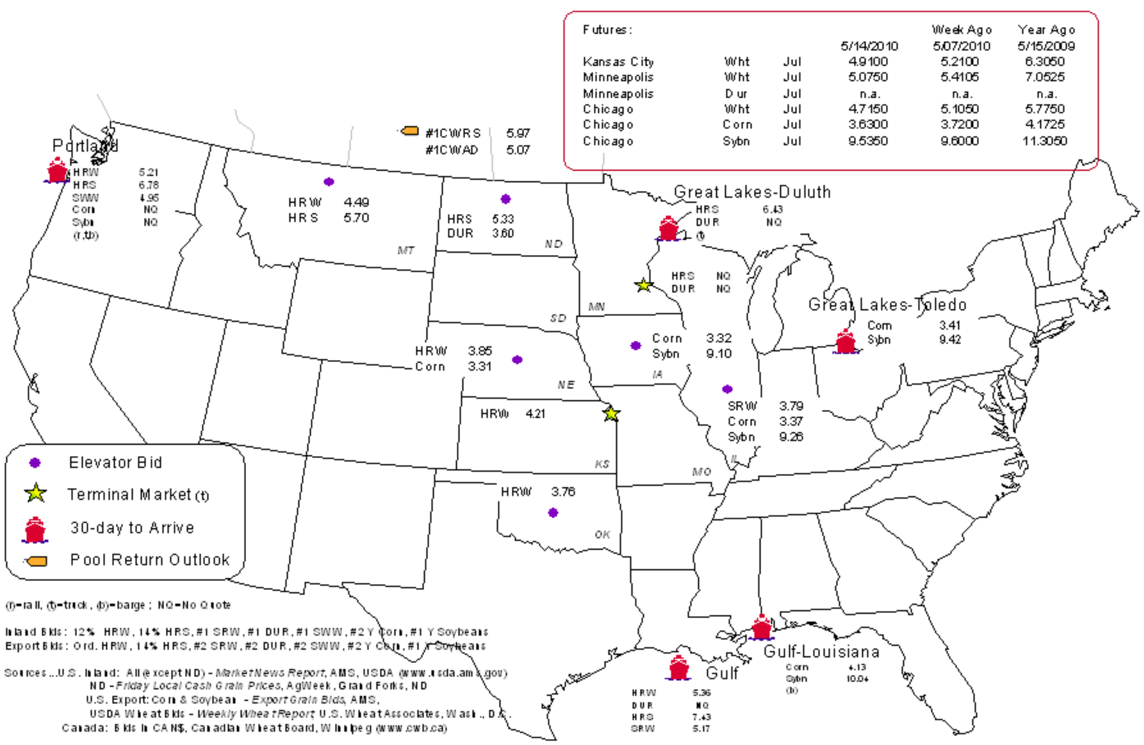
Note: nq = no quote

Source: Transportation & Marketing Programs/AMS/USDA

The **grain bid summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental mar-

Figure 1

Grain bid Summary



Rail Transportation

Table 3
Rail Deliveries to Port (carloads)[1]

Week ending	Mississippi Gulf	Texas Gulf	Cross-Border Mexico	Pacific Northwest	Atlantic & East Gulf	Total
5/12/2010[p]	108	962	1,034	2,727	410	5,241
5/05/2010[r]	107	1,190	884	3,697	291	6,169
2010 YTD	6,921	27,563	17,588	64,091	16,419	132,582
2009 YTD	12,179	17,256	15,441	65,307	10,659	120,842
2010 YTD as % of 2009 YTD	57	160	114	98	154	110
Last 4 weeks as % of 2009[2]	93	159	123	101	121	113
Last 4 weeks as % of 4-year avg.[2]	20	72	106	76	81	74
Total 2009	33,423	57,646	36,738	175,965	30,328	334,100
Total 2008	68,768	107,542	37,491	255,852	33,028	502,681

[1] Data is incomplete as it is voluntarily provided

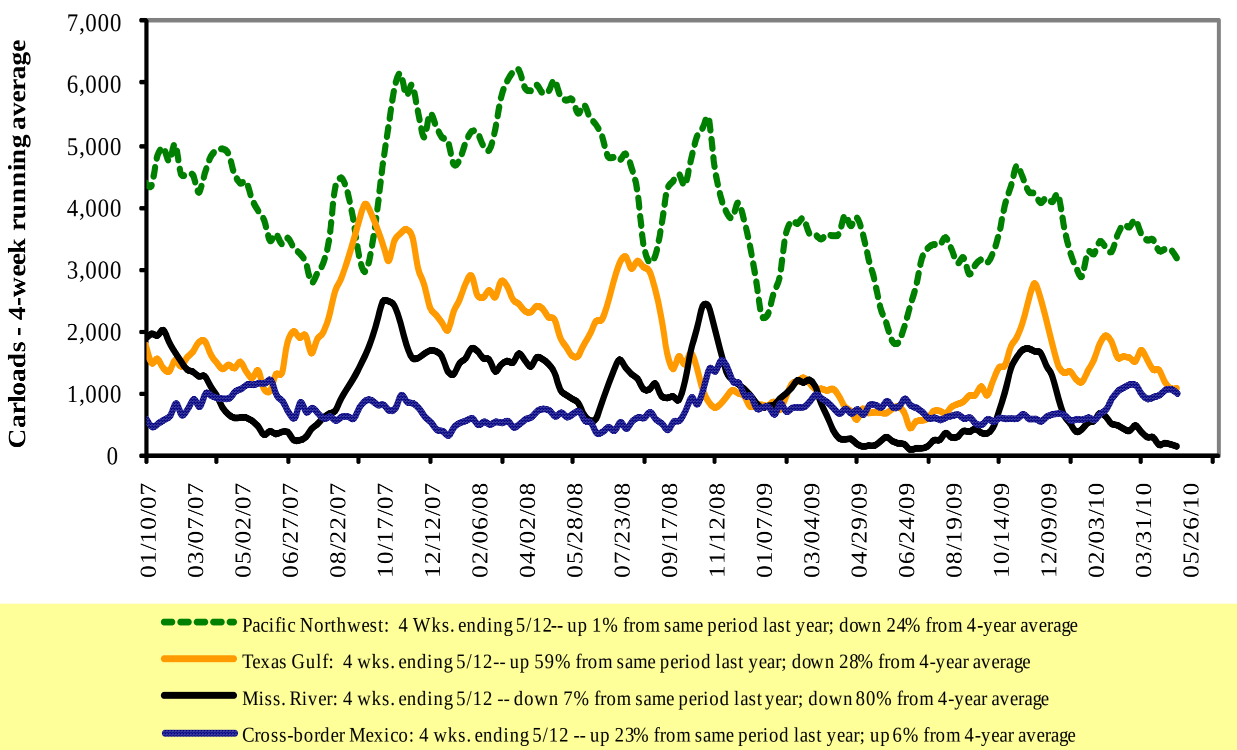
[2] Compared with same 4-weeks in 2008 and prior 4-year average.

YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 35 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2
Rail Deliveries to Port



Source: Transportation & Marketing Programs/AMS/USDA

Table 4

Class I Rail Carrier Grain Car Bulletin (grain carloads originated)

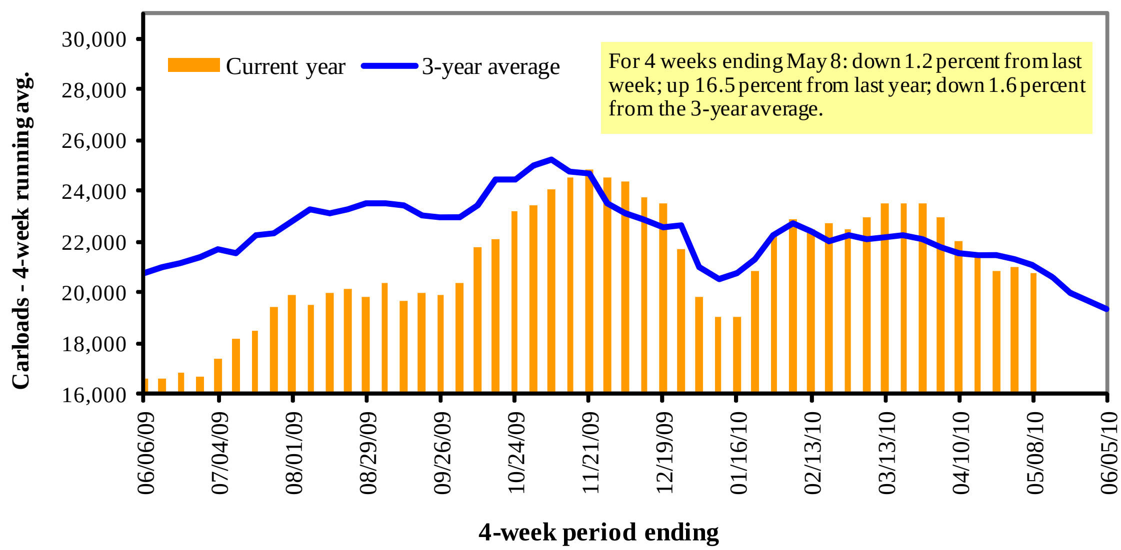
Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
05/08/10	1,800	3,297	8,410	784	4,954	19,245	3,601	6,296
This week last year	2,088	2,781	8,092	861	3,884	17,706	3,599	6,009
2010 YTD	41,133	55,425	189,674	13,738	97,964	397,934	72,903	97,967
2009 YTD	41,419	45,788	159,225	12,765	84,904	344,101	74,734	97,584
2010 YTD as % of 2009 YTD	99	121	119	108	115	116	98	100
Last 4 weeks as % of 2009[1]	98	123	117	95	124	117	102	109
Last 4 weeks as % of 3-yr avg.[1]	74	107	102	97	100	98	88	113
Total 2009	105,278	142,254	483,618	36,912	268,811	1,036,873	200,871	278,997

[1]As a percent of the same period in 2008 and the prior 3-year average. YTD = year-to-date.

Source: Association of American Railroads (www.aar.org)

Figure 3

Total Weekly U.S. Class I Railroad Grain Car Loadings



Source: Association of American Railroads

Table 5

Rail Car Auction Offerings[1] ($/car)[2]

Week ending	Delivery period							
5/15/2010	May-10	May-09	Jun-10	Jun-09	Jul-10	Jul-09	Aug-10	Aug-09
BNSF[3]								
COT grain units	0	no offer	0	no offer	0	no bids	0	0
COT grain single-car[5]	0 . . 63	no offer	0 . . 10	no offer	0	0 . . 1	0 . . 2	1
UP[4]								
GCAS/Region 1	no offer	no offer	no bids	no bids	no bids	no bids	n/a	no offer
GCAS/Region 2	no offer	no offer	no bids	no bids	no bids	no bids	n/a	no offer

[1]Auction offerings are for single-car and unit train shipments only.

[2]Average premium/discount to tariff, last auction

[3]BNSF - COT = Certificate of Transportation; north grain and south grain bids were combined effective the week ending 6/24/06.

[4]UP - GCAS = Grain Car Allocation System

Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

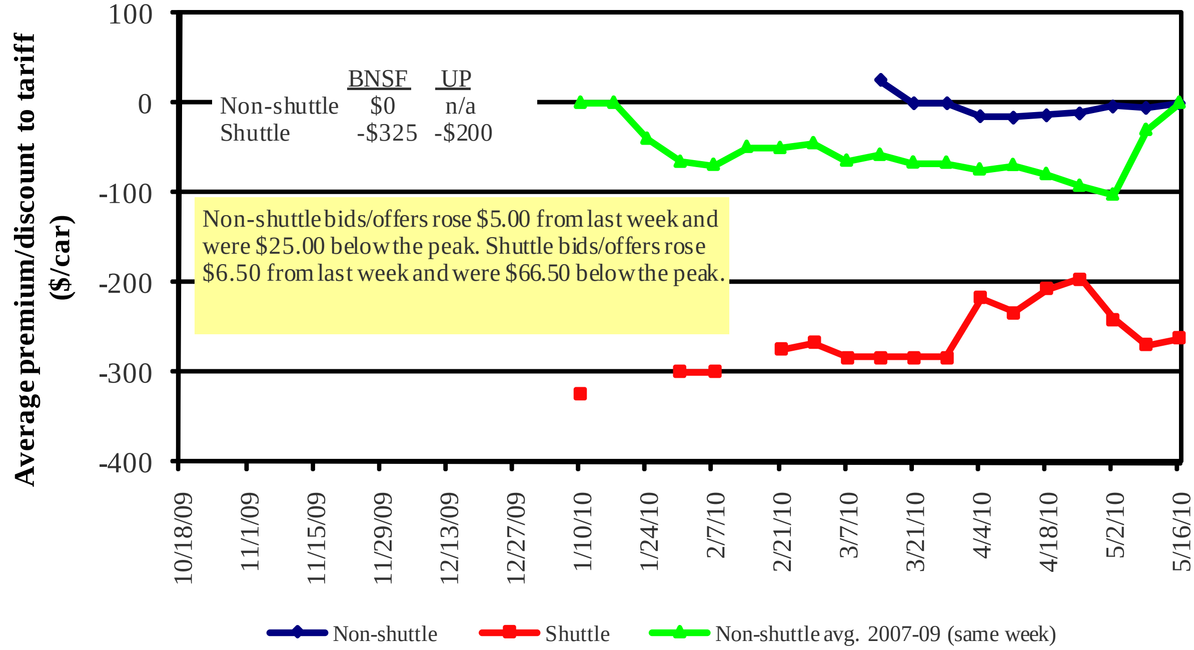
[5]Range is shown because average is not available. Not available = n/a.

Source: Transportation & Marketing Programs/AMS/USDA.

The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/supply.

Figure 4

Bids/Offers for Railcars to be Delivered in May 2010, Secondary Market

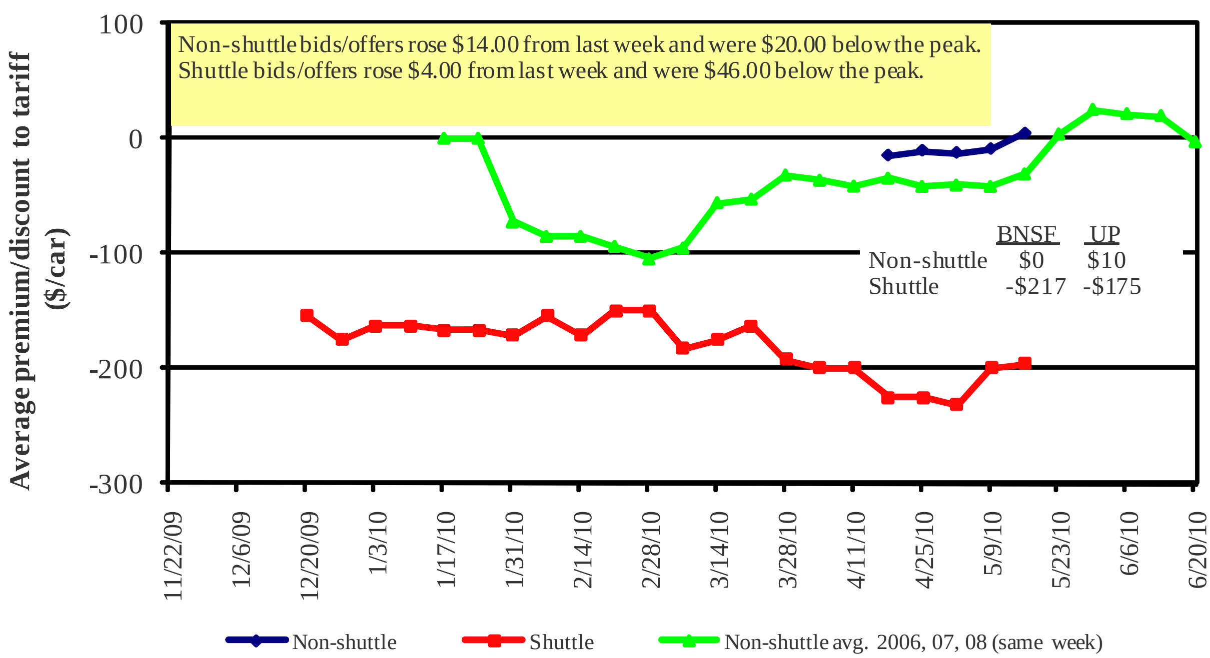


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in June 2010, Secondary Market

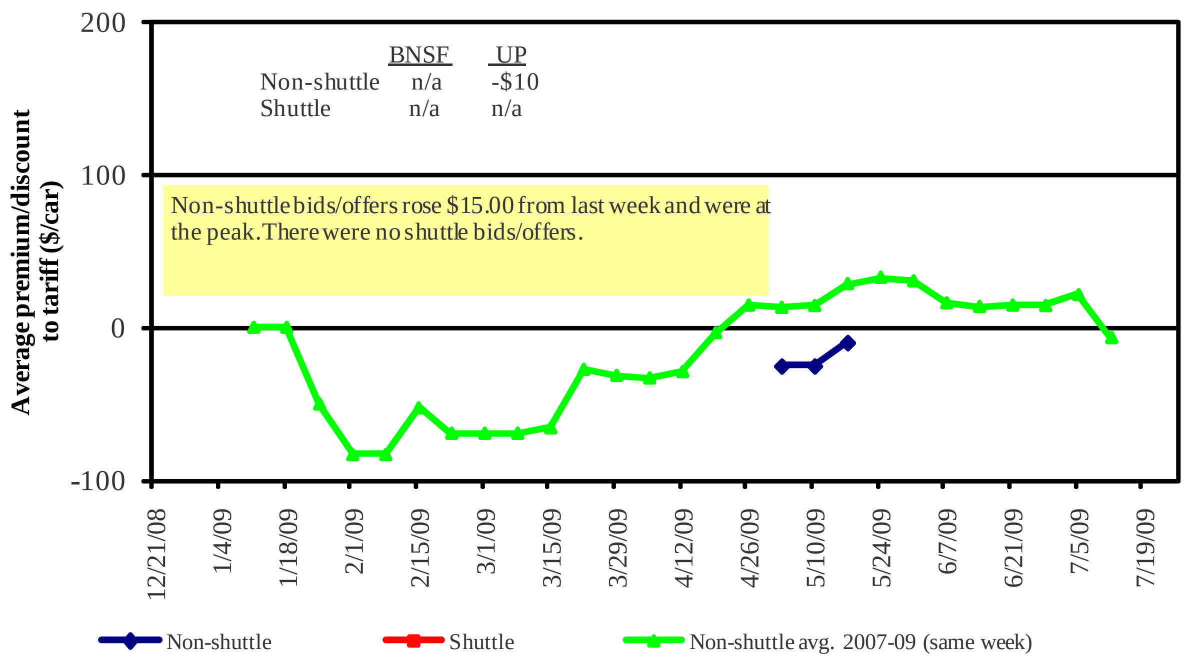


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in July 2010, Secondary Market



Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Table 6

Weekly Secondary Rail Car Market ($/car)[1]

Week ending	Delivery period					
5/15/2010	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10
Non-shuttle						
BNSF-GF	0	0	n/a	n/a	n/a	n/a
Change from last week	0	10	n/a	n/a	n/a	n/a
Change from same week 2009	0	7	n/a	n/a	n/a	n/a
UP-Pool	n/a	10	-10	n/a	n/a	n/a
Change from last week	n/a	18	15	n/a	n/a	n/a
Change from same week 2009	n/a	10	-23	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	-325	-217	n/a	-25	n/a	n/a
Change from last week	25	-17	n/a	n/a	n/a	n/a
Change from same week 2009	0	-11	n/a	n/a	n/a	n/a
UP-Pool	-200	-175	n/a	n/a	n/a	n/a
Change from last week	-12	25	n/a	n/a	n/a	n/a
Change from same week 2009	n/a	144	n/a	n/a	n/a	n/a

[1]Average premium/discount to tariff, $/car-last week

[2]Shuttle bids are a new data series; prior to this we provided only non-shuttle rates.

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,
n/a = not available; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments[1]

Effective date: 5/1/2010	Origin region	Destination region	Tariff rate/car	Fuel surcharge per car	Tariff plus surcharge per: metric ton	Tariff plus surcharge per: bushel[2]	Percent change Y/Y[3]
Unit train[1]							
Wheat	Chicago, IL	Albany, NY	$2,622	$148	$30.53	$0.83	10
	Kansas City, MO	Galveston, TX	$2,753	$140	$31.89	$0.87	14
	South Central, KS	Galveston, TX	$3,655	$295	$43.54	$1.19	11
	Minneapolis, MN	Houston, TX	$3,799	$597	$48.46	$1.32	14
	St. Louis, MO	Houston, TX	$3,565	$136	$40.80	$1.11	12
	South Central, ND	Houston, TX	$5,478	$664	$67.70	$1.84	9
	Minneapolis, MN	Portland, OR	$4,200	$726	$54.30	$1.48	14
	South Central, ND	Portland, OR	$4,200	$596	$52.87	$1.44	13
	Northwest, KS	Portland, OR	$5,100	$794	$64.97	$1.77	9
	Chicago, IL	Richmond, VA	$2,834	$201	$33.46	$0.91	18
Corn	Chicago, IL	Baton Rouge, LA	$2,925	$172	$34.14	$0.87	-1
	Council Bluffs, IA	Baton Rouge, LA	$3,020	$184	$35.31	$0.90	-1
	Kansas City, MO	Dalhart, TX	$3,284	$215	$38.57	$0.98	3
	Minneapolis, MN	Portland, OR	$3,609	$726	$47.78	$1.21	9
	Evansville, IN	Raleigh, NC	$3,204	$197	$37.49	$0.95	12
	Columbus, OH	Raleigh, NC	$3,093	$172	$35.99	$0.91	12
	Council Bluffs, IA	Stockton, CA	$4,900	$784	$62.66	$1.59	-2
Soybeans	Chicago, IL	Baton Rouge, LA	$3,178	$172	$36.93	$1.01	5
	Council Bluffs, IA	Baton Rouge, LA	$3,192	$184	$37.21	$1.01	6
	Minneapolis, MN	Portland, OR	$4,110	$726	$53.30	$1.45	13
	Evansville, IN	Raleigh, NC	$3,204	$197	$37.49	$1.02	12
	Chicago, IL	Raleigh, NC	$3,804	$245	$44.63	$1.21	11
Shuttle Train							
Wheat	St. Louis, MO	Houston, TX	$2,867	$136	$33.10	$0.90	14
	Minneapolis, MN	Portland, OR	$3,700	$726	$48.78	$1.33	13
Corn	Fremont, NE	Houston, TX	$2,520	$439	$32.62	$0.83	8
	Minneapolis, MN	Portland, OR	$3,528	$726	$46.89	$1.19	14
Soybeans	Council Bluffs, IA	Houston, TX	$2,787	$425	$35.41	$0.96	7
	Minneapolis, MN	Portland, OR	$3,774	$726	$49.60	$1.35	16

[1]A unit train refers to shipments of at least 52 cars. Shuttle train rates are available for qualified shipments of 75-110 cars that meet railroad efficiency requirements.

[2]Approximate load per car = 100 short tons (90.72 metric tons): corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

[3]Percentage change year over year calculated using tariff rate plus fuel surchage

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

Table 8

Tariff Rail Rates for U.S. Bulk Grain Shipments to Mexico

Effective date: 5/3/2010				Fuel			Percent
	Origin		Tariff	surcharge	Tariff plus surcharge per:		change
Commodity	state	Destination region	rate/car[1]	per car	metric ton	bushel[2]	Y/Y[3]
Wheat	MT	Chihuahua, CI	$6,291	$675	$71.18	$1.94	11
	OK	Cuautitlan, EM	$5,726	$527	$63.89	$1.74	12
	KS	Guadalajara, JA	$6,196	$543	$68.85	$1.87	12
	TX	Salinas Victoria, NL	$3,154	$175	$34.01	$0.92	10
Corn	IA	Guadalajara, JA	$6,670	$630	$74.59	$2.03	10
	SD	Penjamo, GJ	$6,440	$884	$74.83	$2.03	8
	NE	Queretaro, QA	$6,130	$520	$67.95	$1.85	5
	SD	Salinas Victoria, NL	$4,570	$672	$53.56	$1.46	3
	MO	Tlalnepantla, EM	$5,318	$506	$59.51	$1.62	6
	SD	Torreon, CU	$5,330	$740	$62.02	$1.69	7
Soybeans	MO	Bojay (Tula), HG	$6,066	$542	$67.52	$1.84	10
	NE	Guadalajara, JA	$6,550	$622	$73.28	$1.99	11
	IA	Penjamo (Celaya), GJ	$6,690	$878	$77.33	$2.10	16
	KS	Torreon, CU	$5,255	$411	$57.89	$1.57	9
Sorghum	OK	Cuautitlan, EM	$4,339	$671	$51.19	$1.39	7
	TX	Guadalajara, JA	$5,350	$575	$60.54	$1.65	16
	NE	Penjamo, GJ	$6,395	$570	$71.16	$1.93	8
	KS	Queretaro, QA	$5,398	$400	$59.24	$1.61	4
	NE	Salinas Victoria, NL	$4,282	$414	$47.98	$1.30	4
	NE	Torreon, CU	$5,240	$469	$58.33	$1.59	8

[1]Rates are based upon published tariff rates for high-capacity shuttle trains. Shuttle trains are available for qualified shipments of 75--110 cars that meet railroad efficiency requirements.

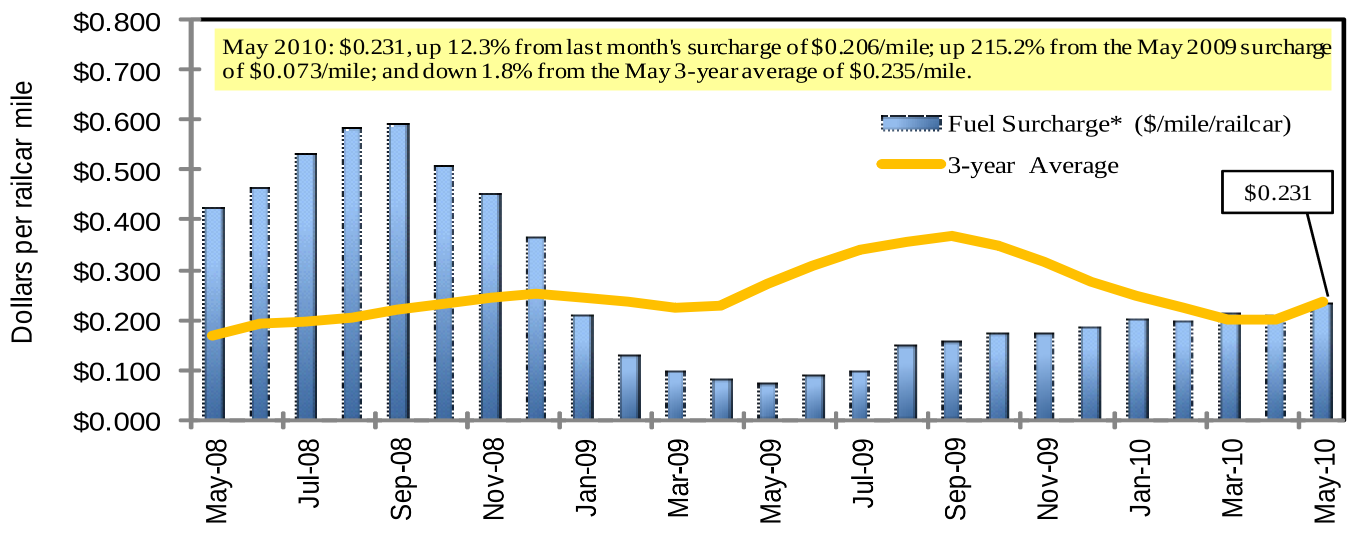
[2]Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

[3]Percentage change year over year calculated using tariff rate plus fuel surchage

Sources: www.bnsf.com, www.uprr.com, www.kcsouthern.com

Figure 7

Railroad Fuel Surcharges, North American Weighted Average[1]



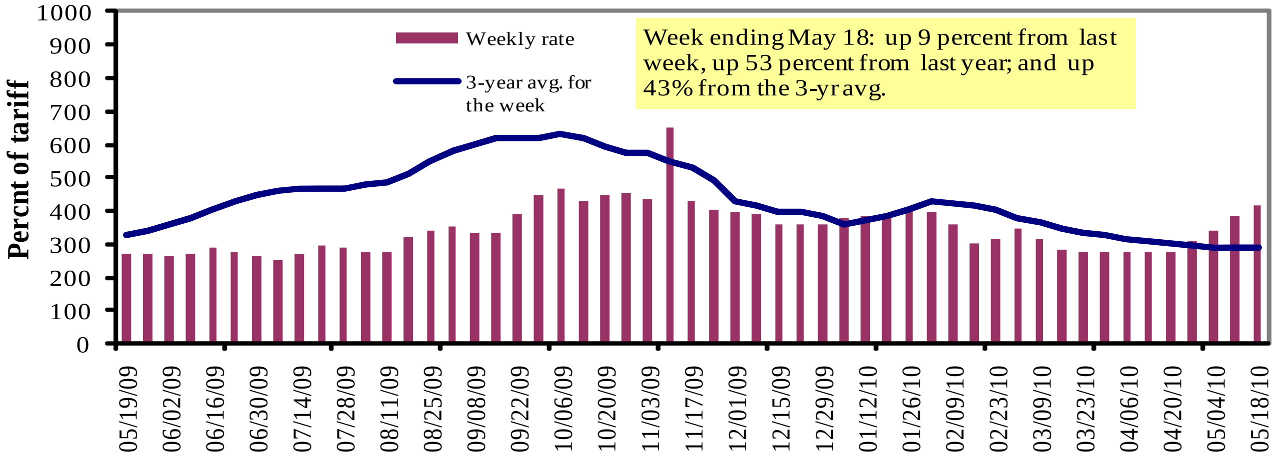
[1] Weighted by each Class I railroad's proportion of grain traffic for the prior year.

* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

Sources: www.bnsf.com, www.cn.ca, www.cpr.ca, www.csx.com, www.kcsi.com, www.nscorp.com, www.uprr.com

Barge Transportation

Illinois River Barge Freight Rate[1,2]



[1]Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); [2]4-week moving average of the 3-year average.
Source: Transportation & Marketing Programs/AMS/USDA

Table 9
Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid-Mississippi	Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate[1]	5/18/2010	477	413	417	300	355	355	277
	5/11/2010	421	386	383	274	261	261	234
$/ton	5/18/2010	29.53	21.97	19.35	11.97	16.65	14.34	8.70
	5/11/2010	26.06	20.54	17.77	10.93	12.24	10.54	7.35
Current week % change from the same week:								
	Last year	34	39	53	53	69	69	54
	3-year avg. [2]	31	29	43	34	49	49	36
Rate[1]	June	468	392	390	297	347	347	282
	August	478	433	430	370	422	422	375

[1]Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); [2]4-week moving average; ton = 2,000 pounds.
Source: Transportation & Marketing Programs/AMS/USDA

Calculating barge rate per ton:
(Index * 1976 tariff benchmark rate per ton)/100

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 9).

Figure 9
Benchmark tariff rates

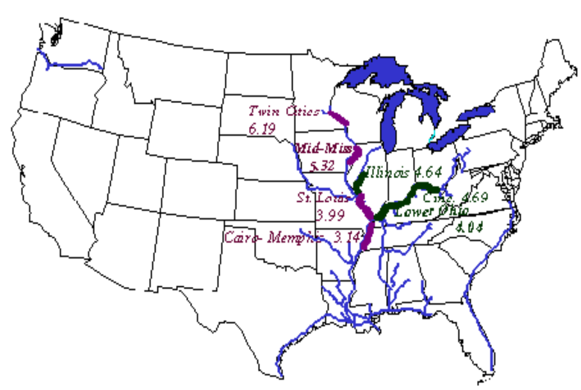
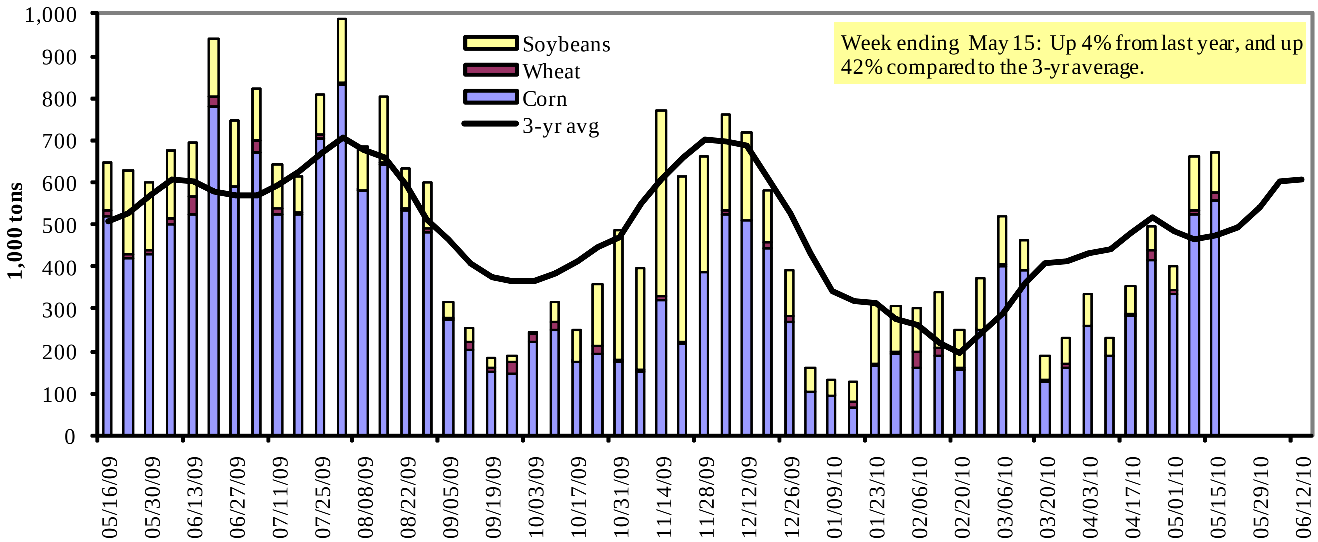


Figure 10

Barge Movements on the Mississippi River[1] (Locks 27 - Granite City, IL)



[1] The 3-year average is a 4-week moving average.

Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp)

Table 10

Barge Grain Movements (1,000 tons)

Week ending 5/15/2010	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	159	2	35	0	196
Winfield, MO (L25)	310	2	69	3	384
Alton, IL (L26)	542	17	93	3	655
Granite City, IL (L27)	559	17	96	3	676
Illinois River (L8)	229	10	15	0	254
Ohio River (L52)	92	2	15	0	109
Arkansas River (L1)	0	14	3	6	22
Weekly total - 2010	652	33	114	9	807
Weekly total - 2009	607	17	147	5	776
2010 YTD[1]	7,584	412	3,609	171	11,776
2009 YTD	8,120	457	3,549	163	12,289
2010 as % of 2009 YTD	93	90	102	105	96
Last 4 weeks as % of 2009[2]	111	107	71	101	102
Total 2009	23,424	1,501	10,465	430	35,819

[1] Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

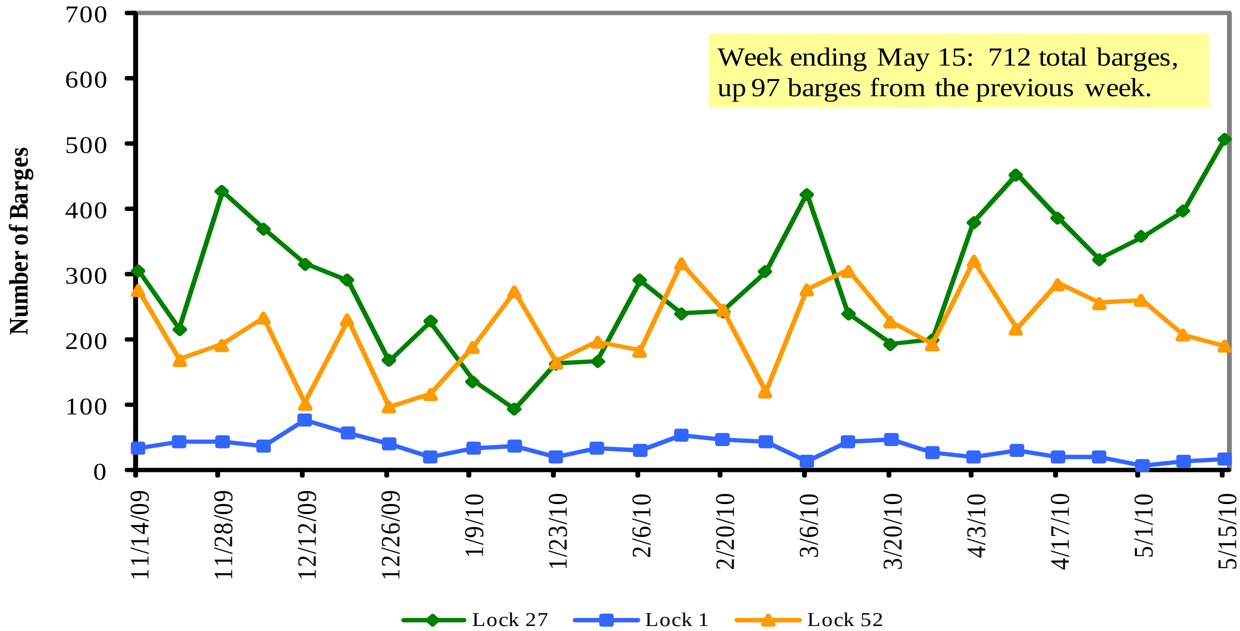
[2] As a percent of same period in 2009.

Note: Total may not add exactly, due to rounding

Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp)

Figure 11

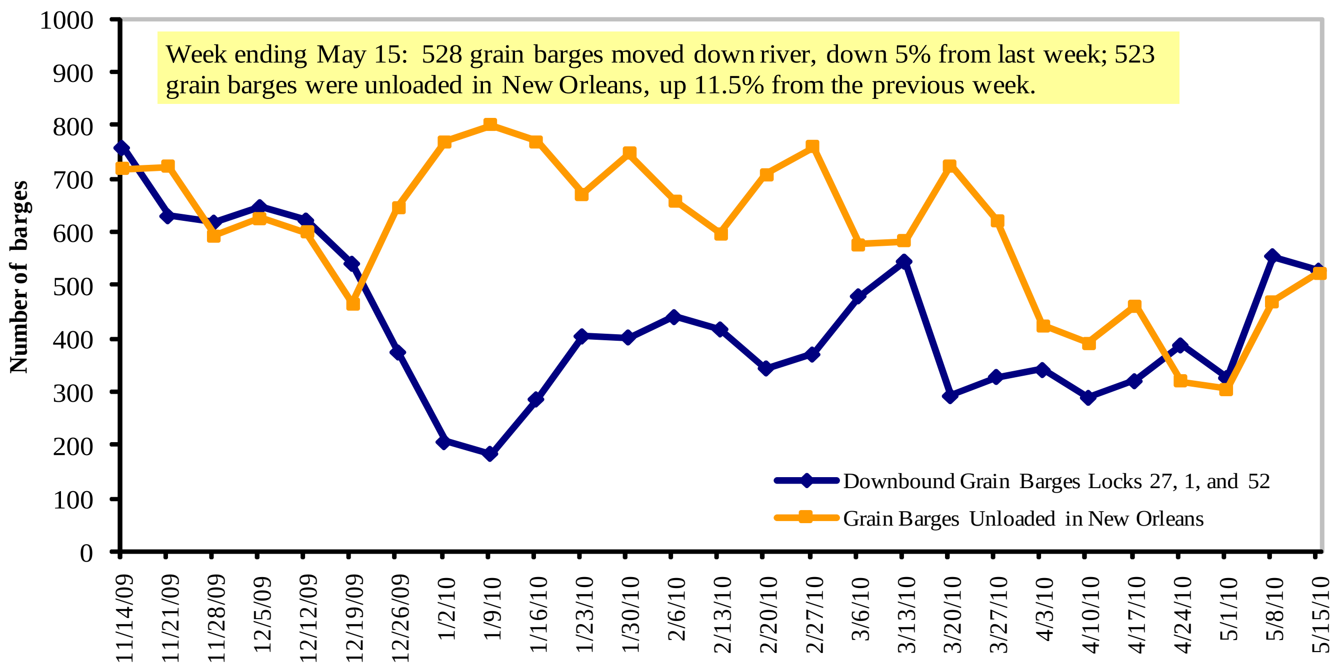
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



Source: U.S. Army Corps of Engineers

Figure 12

Grain Barges for Export in New Orleans Region



Source: U.S. Army Corps of Engineers and GIPSA

Truck Transportation

The **weekly diesel price** provides a proxy for trends in U.S. truck rates as diesel fuel is a significant expense for truck grain movements.

Table 11

Retail on-Highway Diesel Prices[1], Week Ending 5/17/2010 (US$/gallon)

Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	3.109	-0.027	0.833
	New England	3.142	-0.019	0.741
	Central Atlantic	3.232	-0.014	0.836
	Lower Atlantic	3.054	-0.033	0.841
II	Midwest[2]	3.067	-0.035	0.897
III	Gulf Coast[3]	3.042	-0.045	0.832
IV	Rocky Mountain	3.157	-0.012	0.883
V	West Coast	3.204	-0.029	0.864
	California	3.238	-0.031	0.884
Total	U.S.	3.094	-0.033	0.863

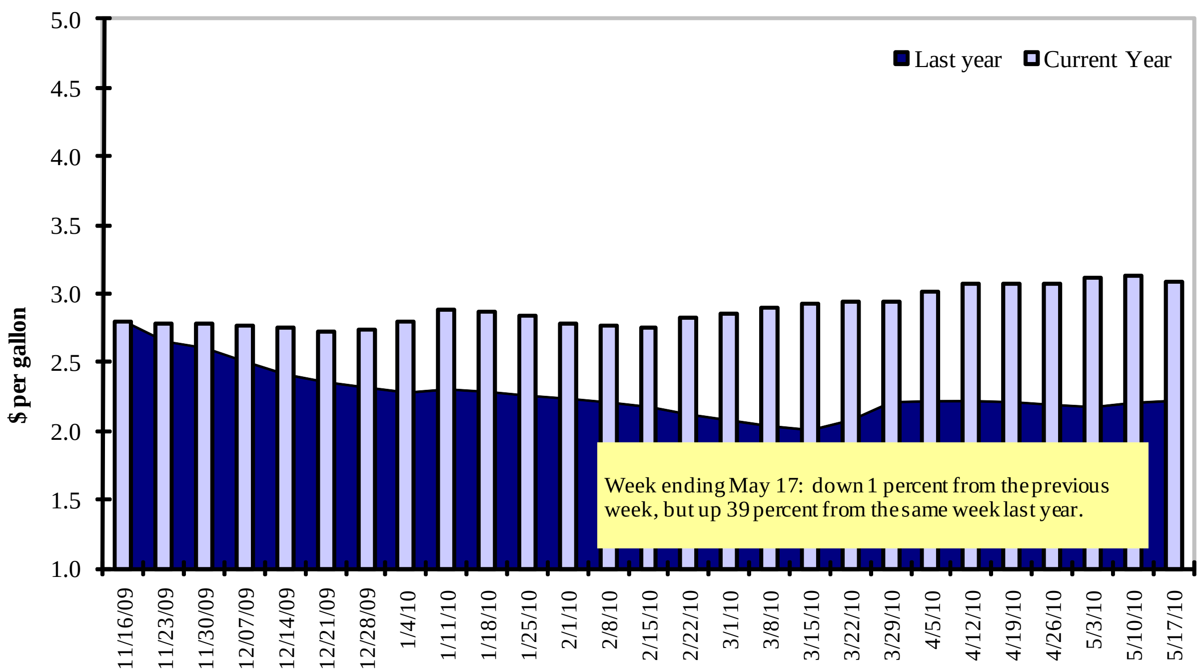
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

[2]Same as North Central [3]Same as South Central

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

Figure 13

Weekly Diesel Fuel Prices, U.S. Average



Source: Retail On-Highway Diesel Prices, Energy Information Administration, Dept. of Energy

Grain Exports

Table 12

U.S. Export Balances and Cumulative Exports (1,000 metric tons)

	Wheat						Corn	Soybeans	Total
Week ending	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances[1]									
5/6/2010	813	247	507	397	111	2,074	11,124	1,942	15,140
This week year ago	660	208	525	532	29	1,953	9,717	4,811	16,481
Cumulative exports-marketing year[2]									
2009/10 YTD	7,879	2,635	5,083	3,688	909	20,193	31,117	35,700	87,010
2008/09 YTD	10,884	4,943	5,132	3,087	420	24,466	29,149	28,035	81,650
YTD 2009/10 as % of 2008/09	72	53	99	119	216	83	107	127	107
Last 4 wks as % of same period 2008/09	142	134	138	82	355	127	110	40	92
2008/09 Total	11,244	5,100	5,408	3,420	454	25,626	44,650	33,705	103,981
2007/08 Total	13,709	5,568	7,842	4,191	1,075	32,385	59,666	30,411	122,462

[1] Current unshipped export sales to date

[2] Shipped export sales to date; new marketing year is now in effect for corn and soybeans

Note: YTD = year-to-date. Marketing Year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 13

Top 5 Importers[1] of U.S. Corn

Week ending 05/06/10	Total Commitments[2]			% change	Exports[3]
	2010/11	2009/10	2008/09	current MY	
	Next MY	Current MY	Last MY	from last MY	2008/09
		- 1,000 mt -			- 1,000 mt -
Japan	27	12,129	13,083	(7)	15,910
Mexico	656	7,531	6,401	18	7,454
Korea	55	6,963	4,370	59	5,129
Taiwan	0	2,720	2,805	(3)	3,198
Egypt	55	1,960	1,434	37	2,233
Top 5 importers	**793**	**31,303**	**28,093**	**11**	**33,924**
Total US corn export sales	**1,034**	**42,241**	**38,865**	**9**	**45,214**
% of Projected	2%	85%	82%		
Change from Last Week	121	819	937		
Top 5 importers' share of U.S. corn export sales	77%	74%	72%		
USDA forecast, May 2010	**50,800**	**49,530**	**47,180**	**5**	
Corn Use for Ethanol USDA forecast, Ethanol May 2010	**116,840**	**111,760**	**93,396**	**20**	

(n) indicates negative number.

[1]Based on FAS Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.

[3]FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 14

Top 5 Importers[1] of U.S. Soybeans

Week ending 05/06/10	Total Commitments[2]			% change	Exports[3]
		2009/10	2008/09	current MY	
	Next MY	Current MY	Last MY	from last MY	2008/09
		- 1,000 mt -			- 1,000 mt -
China	2,734	22,016	18,330	20	18,681
Mexico	40	2,772	2,759	0	3,098
Japan	52	2,105	2,299	(8)	2,410
EU-25	0	2,697	2,210	22	2,180
Taiwan	0	1,407	1,404	0	1,592
Top 5 importers	**2,826**	**30,997**	**27,002**	**15**	**27,961**
Total US soybean export sales	**3,413**	**37,641**	**32,846**	**15**	
% of Projected	9%	95%	94%		
Change from last week	211	208	402		
Top 5 importers' share of U.S. soybean export sales	83%	82%	82%		
USDA forecast, May 2010	**36,740**	**39,600**	**34,930**	**13**	
Soybean Use for Biodiesel USDA forecast, May 2010	**6,954**	**5,275**	**4,566**	**16**	

(n) indicates negative number.

[1]Based on FAS 2006/07 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.

[2] Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 15

Top 10 Importers[1] of All U.S. Wheat

Week Ending 05/06/2010	Total Commitments[2]			% change	Exports[3]
	2010/11	2009/10	2008/09	current MY	
	Next MY	Current MY	Last MY	from last MY	2008/09
		- 1,000 mt -			- 1,000 mt -
Japan	164	3,244	3,219	1	3,103
Nigeria	391	3,452	2,705	28	2,661
Mexico	226	1,941	2,475	(22)	2,423
Egypt	0	456	1,928	(76)	1,928
Philippines	476	1,568	1,531	2	1,480
Iraq	0	307	1,205	(75)	1,205
Korea, South	124	1,203	1,144	5	1,127
Brazil	0	242	773	(69)	789
Colombia	107	547	784	(30)	749
Taiwan	32	844	715	18	714
Top 10 importers	**1,518**	**13,803**	**16,481**	**(16)**	**16,179**
Total US wheat export sales	**2,236**	**22,267**	**26,419**	**(16)**	**27,640**
% of Projected	9%	86%	96%		
Change from last week	241	244	102		
Top 10 importers' share of U.S. wheat export sales	68%	62%	62%		
USDA forecast, May 2010	**24,490**	**25,840**	**27,640**	**(7)**	

(n) indicates negative number.

[1]Based on FAS **2008/09** Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 31.

[2] Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 16

Grain Inspections for Export by U.S. Port Region (1,000 metric tons)

Port regions	Week ending 05/13/10	2010 YTD[1]	2009 YTD[1]	2010 YTD as % of 2009 YTD	Last 4-weeks as % of 2009	Last 4-weeks as % of 3-yr. avg.	Total[1] 2009
Pacific Northwest							
Wheat	178	3,908	3,553	110	134	112	10,091
Corn	160	3,497	2,891	121	105	97	8,498
Soybeans	31	4,256	3,670	116	56	47	9,743
Total	**369**	**11,660**	**10,115**	**115**	**107**	**93**	**28,332**
Mississippi Gulf							
Wheat	62	1,428	1,624	88	89	70	4,019
Corn	548	10,336	10,948	94	89	98	28,843
Soybeans	183	8,199	8,284	99	51	69	21,831
Total	**794**	**19,963**	**20,856**	**96**	**79**	**88**	**54,693**
Texas Gulf							
Wheat	100	2,865	1,878	153	149	98	5,735
Corn	62	839	694	121	165	230	1,968
Soybeans	0	667	472	141	n/a	313	2,402
Total	**161**	**4,371**	**3,044**	**144**	**158**	**119**	**10,105**
Great Lakes							
Wheat	2	156	99	157	100	49	990
Corn	0	16	26	60	n/a	59	353
Soybeans	0	0	35	0	0	0	781
Total	**2**	**172**	**160**	**107**	**74**	**46**	**2,124**
Atlantic							
Wheat	0	72	193	38	9	4	552
Corn	17	140	53	264	254	314	472
Soybeans	0	592	383	155	23	26	1,268
Total	**17**	**804**	**629**	**128**	**62**	**46**	**2,292**
U.S. total from ports[2]							
Wheat	342	8,429	7,346	115	125	94	21,387
Corn	787	14,827	14,613	101	97	102	40,134
Soybeans	215	13,713	12,844	107	52	61	36,025
Total	**1,344**	**36,970**	**34,803**	**106**	**93**	**92**	**97,546**

[1] Includes weekly revisions, some regional totals may not add exactly due to rounding.

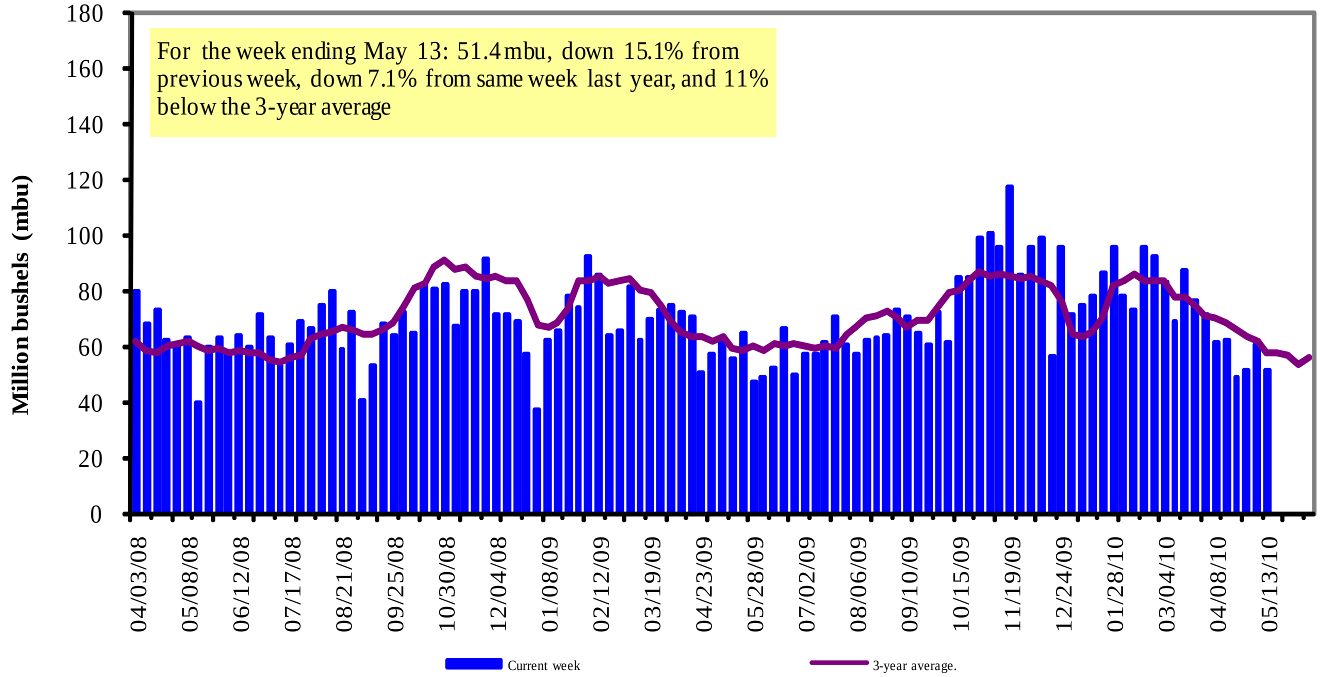
[2] Total includes only port regions shown above

Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); YTD= year-to-date; n/a = not applicable

The United States exports approximately one-quarter of the grain it produces. On average, this includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 62 percent of the U.S. export grain shipments departed through the U.S. Gulf region in 2009.

Figure 14

U.S. grain inspected for export (wheat, corn, and soybeans)

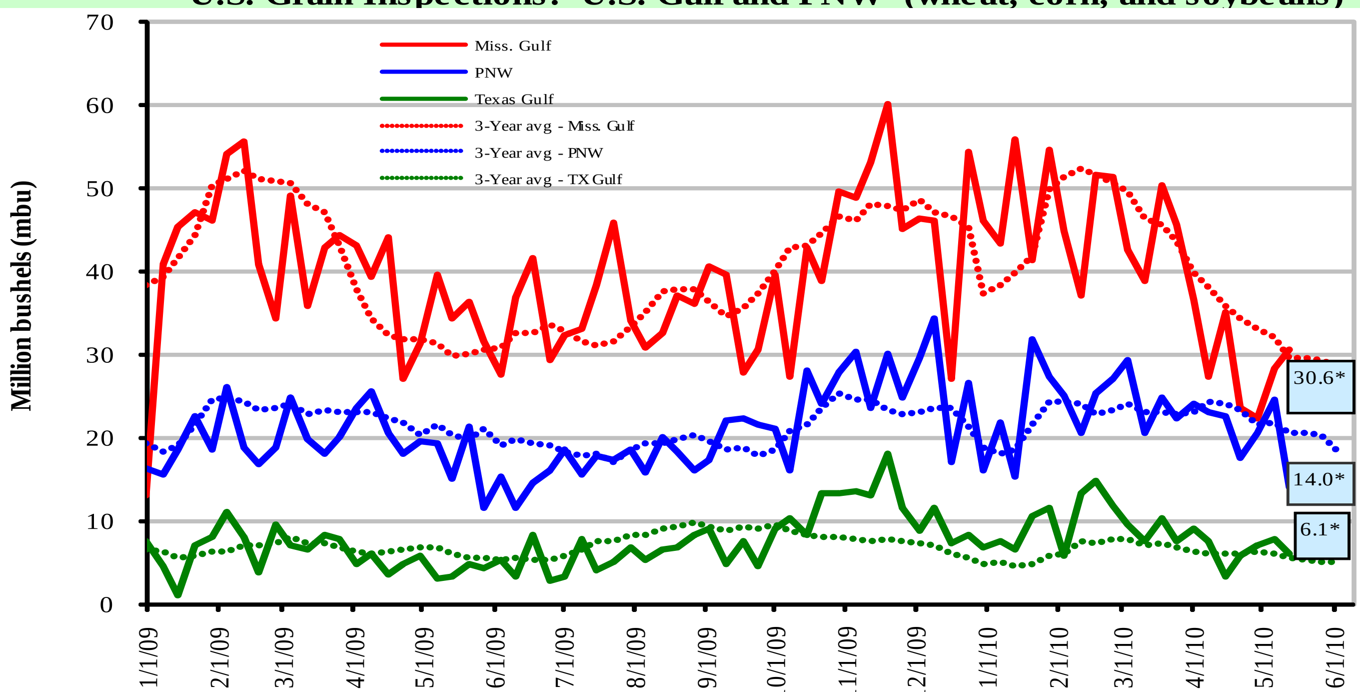


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Note: 3-year average consists of 4-week running average

Figure 15

U.S. Grain Inspections: U.S. Gulf and PNW[1] (wheat, corn, and soybeans)



Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); *mbu, this week.

May 13, % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	up 8	down 21	up 2	down 43
Last year (same week)	down 11	up 83	down 3	up 7.1
3-yr avg. (4-wk mov. avg.)	up 4	up 10	up 5	down 13

Ocean Transportation

Table 17

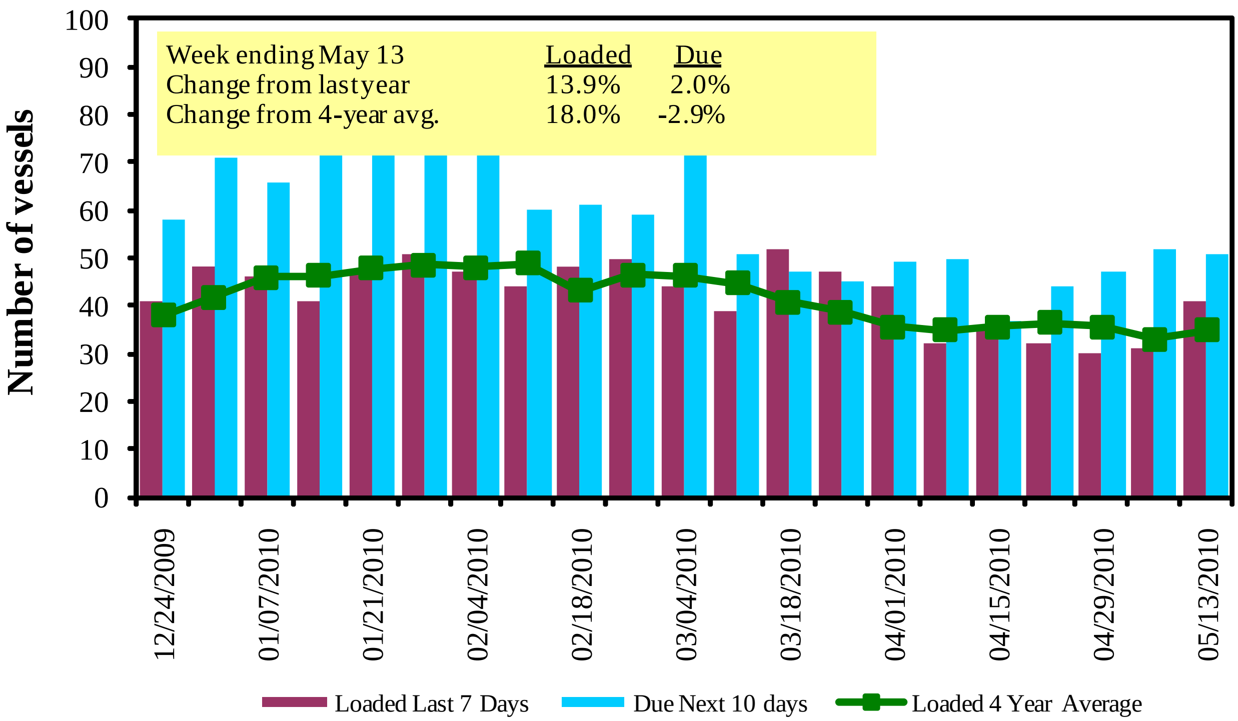
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
5/13/2010	27	41	51	8	6
5/6/2010	25	31	52	8	9
2009 range	(18..72)	(21..57)	(37..86)	(2..19)	(3..19)
2009 avg.	37	39	55	10	9

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

U.S. Gulf[1] Vessel Loading Activity

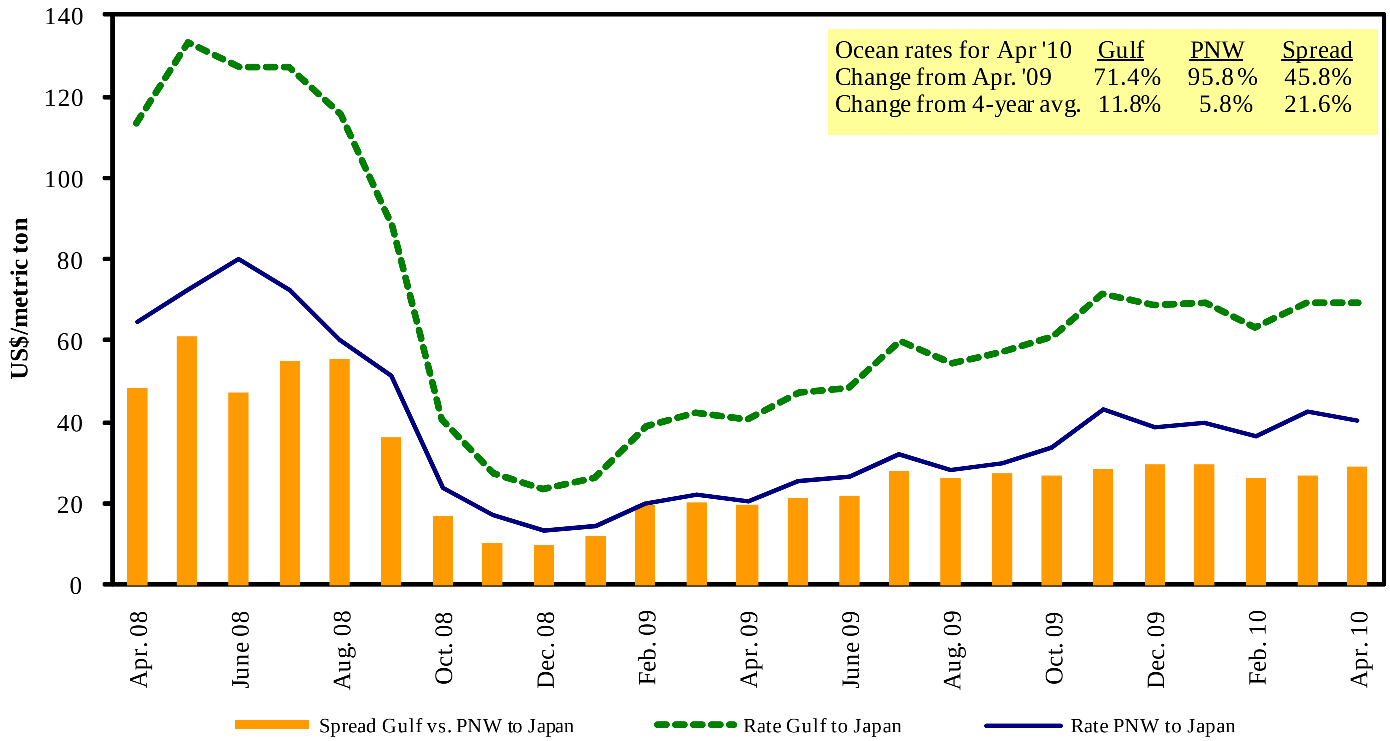


Source: Transportation & Marketing Programs/AMS/USDA

[1]U.S. Gulf includes Mississippi, Texas, and East Gulf.

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: O'Neil Commodity Consulting

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 5/15/2010

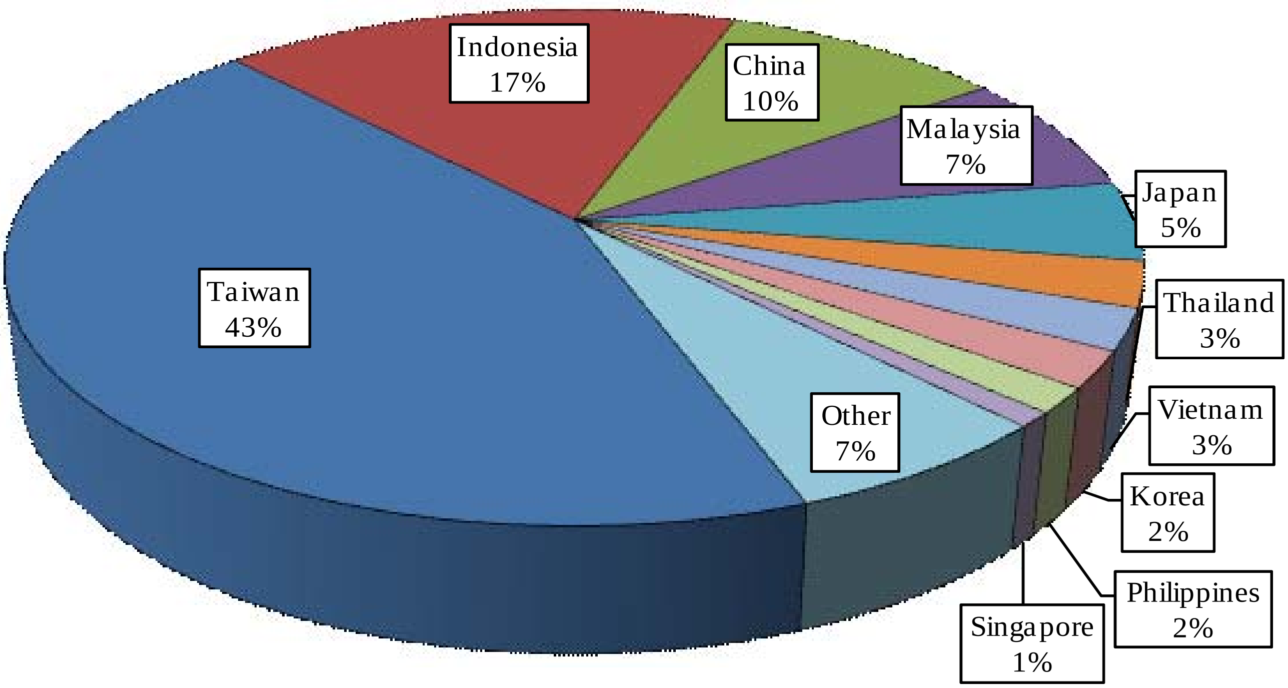
Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	China	Hvy Grain	Nov	55000	61.00
U.S. Gulf	Djibouti[1]	Wheat	Apr 5/15	23,000	134.65
U.S. Atlantic	Poland	Soybeans	Mar 9/15	24,000	50.00
U.S. Gulf	Morocco	Wheat	Mar 15/25	30,000	46.00
U.S. Gulf	Morocco	Wheat	Feb 25/28	30,000	41.00
U.S. Gulf	Morocco	Wheat	Feb 8/10	25,000	46.00
U.S. Gulf	Egyptian Mediterranean	Hvy Grain	Jan 7/12	60,000	39.00
St. Lawrence	Morocco	Wheat	Apr 27/ May 5	21,000	38.75
Ukraine	Saudi Arabia	Barley	May 20/30	35,000	42.00
Ukraine	Kenya	Wheat	Dec 25/30	25,000	52.00
Ukraine	Mediterranean	Wheat	Dec 14/18	30,000	20.00
France	Algeria	Wheat	May 25/30	25,000	31.00
France	Algeria	Wheat	May 10/20	25,000	26.75
France	Algeria	Hvy Grain	Jan 15/20	28,500	28.25
France	Algeria	Wheat	Apr 5/15	25,000	25.50
River Plate	Denmark	Soybeanmeal	Apr 24/28	25,000	65.00

Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

In 2009, containers were used to transport 5 percent of total waterborne grain exports, and 6 percent of U.S. grain exports to Asia.

Figure 18

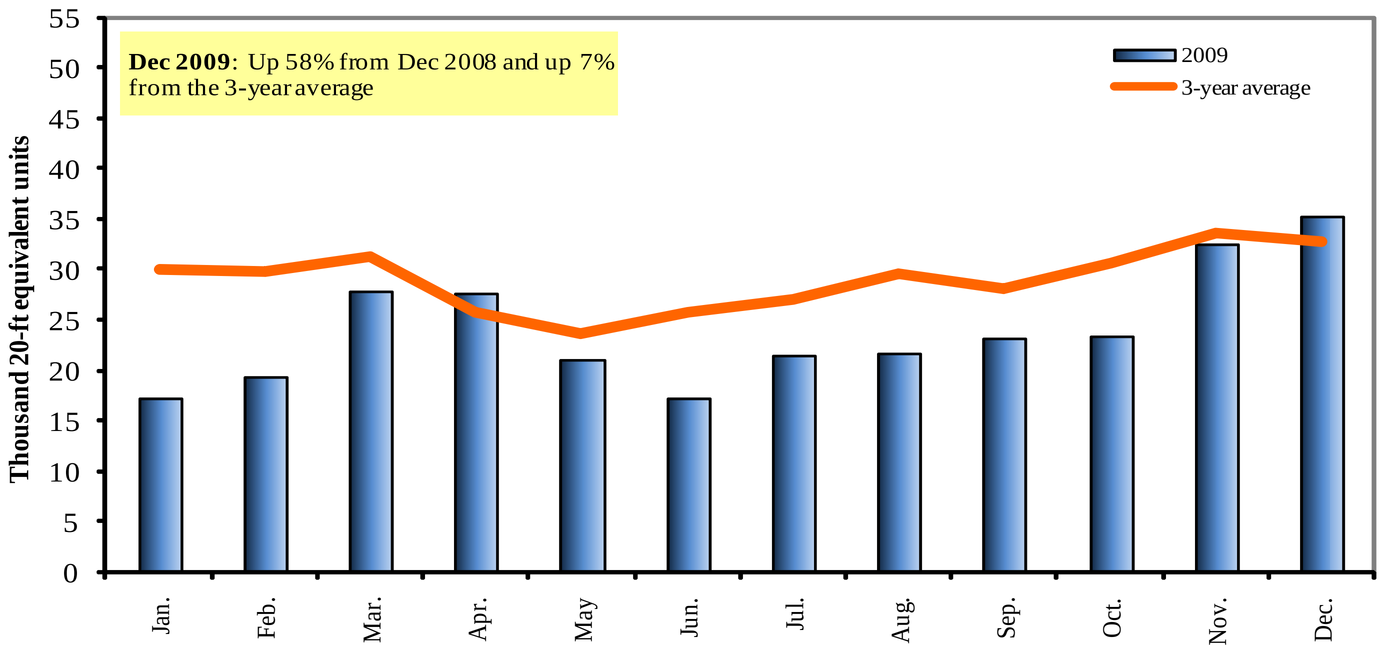
Top 10 Destination Markets for U.S. Containerized Grain Exports, December 2009



Source: Port Import Export Reporting Service (PIERS)

Figure 19

Monthly Shipments of Containerized Grain to Asia



Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

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